

The Commonwealth of Massachusetts
House of Representatives

BYRON RUSHING

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Governor Gray Davis
Attn: Val Dolcini
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Sacramento, California 95814

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Re: **SB 1044** and SB 111

Dear Governor Davis:

I am writing in support of Senator Sheila Kuehl's two study bills – SB 1044 and SB 1111 – which are on your desk for signature. These two bills would provide an assessment of impacts of international trade agreements on California environmental and labor laws and regulations. They would enable you and the Legislature to ensure that a balanced approach to these new international agreements is being undertaken and make provision for public discussion of these impacts.

Worldwide globalization is restructuring economic spheres and political fora at a dizzying pace. In the process, little attention is being paid by the states to the consequences for democratic sovereignty and local economic and human development.

The United States is negotiating future commitments under international trade and investment rules. These negotiations include expansion of the General Agreement on Trade in Services (GATS) under the World Trade Organization (WTO), creation of a Free Trade Areas of the Americas (FTAA), including the Chapter 11-like provision of the North American Free Trade Agreement (NAFTA).

Here in Massachusetts, these international trade agreements affect traditional state authority in areas of procurement of public goods and services; subsidies for agricultural and economic development; business development in distressed areas; infrastructure for exports and rural commerce; regulation of services, including energy and water supply; construction; health care and insurance; education; wholesale and retail distribution of goods; waste management, sewerage and other environmental services; protection of consumer choice through labeling standards for agricultural produce, forestry, and other products.

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Massachusetts passed the Burma Law in 1996. This law was challenged in the World Trade Organization by the European Union and by Japan. The Burma law, based on earlier legislation regarding South Africa, prohibited the Massachusetts government from procuring goods and services from corporations doing business in Burma. The EU and Japan challenged the law because they alleged it violated the procurement agreements in the GATT treaty administered by the WTO. They only withdrew their challenge after a group of American corporations sued Massachusetts in federal court.

I have been impressed and influenced by the work of your state legislature's Senate Select Committee on International Trade Policy and State Legislation. My own bill, H.2119, The Massachusetts Globalization Impact Bill, would enable state legislators, along with representatives of the Governor's, Treasurer's and Attorney General's offices to study existing and proposed international trade agreements and determine which provisions in these agreements are likely to conflict with state lawmaking powers and then make appropriate recommendations. We hope California will soon not be alone in raising the issues of international trade agreements impacts. (A copy of our bill is enclosed).

Yours truly,



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